



2400 THE BANK OF NOVA SCOTIA BUILDING
44 KING ST. WEST, TORONTO, ONTARIO M5H 1E2

August 14, 1973

To the Shareholders:

I am pleased to submit on behalf of the Directors the interim report for the six month period ending June 30, 1973.

At the Shareholders' Meeting on June 20, 1973, the two-for-one split of issued shares was approved and new share certificates have been forwarded to all shareholders of record on the basis of one additional share for each share held.

After giving effect to the stock split net profit for this period was \$687,343 or 21c per share, based on an average number of 3,279,534 shares outstanding as compared with \$529,986 or 20c per share for the same period in 1972, based on an average number of 2,660,030 shares outstanding.

All Divisions of the Company continue to show marked progress. House sales at Peel Village Highlands have been excellent with closings and contribution to earnings commencing in the third quarter.

A new Townhouse Project is now under construction on our Forest Hills property complementing the Hi Rise program which is progressing on schedule.

Your Company continues operating in a strong and profitable manner, and anticipates a most successful year.

Yours very truly,

A handwritten signature in blue ink, which appears to read 'C.F. Watson', is written over a blue horizontal line.

Charles F. Watson,
President.

PEEL-ELDER LIMITED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF OPERATIONS
FOR SIX MONTHS ENDED JUNE 30, 1973
(prepared without audit)

	1973	1972
Houses and Land		
Sales	\$ 110,500	\$ 839,629
Costs	46,834	584,000
	<u>63,666</u>	<u>255,629</u>
Rentals		
Revenue	4,209,260	1,994,352
Costs	2,688,038	1,165,764
	<u>1,521,222</u>	<u>828,588</u>
Building Materials		
Sales	3,384,963	—
Costs	3,070,479	—
	<u>314,484</u>	<u>—</u>
	<u>1,899,372</u>	<u>1,084,217</u>
General and Administrative Expenses	576,420	213,297
	<u>1,322,952</u>	<u>870,920</u>
Other Income	141,391	206,066
	<u>1,464,343</u>	<u>1,076,986</u>
Profit Before Provision for Income Taxes	243,000	217,000
Provision for Current Income Taxes	1,221,343	859,986
	<u>534,000</u>	<u>330,000</u>
Provision for Deferred Income Taxes		
Net Profit for Six Months	X \$ 687,343	\$ 529,986
Per Share	X \$.21	\$.20
Net Profit for Six Months	\$ 687,343	\$ 529,986
Depreciation	326,455	144,995
Deferred Income Taxes	534,000	330,000
Cash Flow from Operations	<u>\$1,547,798</u>	<u>\$1,004,981</u>
Per Share	<u>\$.47</u>	<u>\$.38</u>
Average Number of Shares Outstanding after giving effect to the stock split	<u>3,279,534</u>	<u>2,660,030</u>

110,500

4,209,260

3,384,963

141,391

7,846,114

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PEEL-ELDER LIMITED AND SUBSIDIARY COMPANIES
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR SIX MONTHS ENDED JUNE 30, 1973
(prepared without audit)

SOURCE OF FUNDS	1973	1972
Net Profit for the Period	\$ 687,343	\$ 529,986
Charges not requiring an outlay of funds		
Depreciation	326,455	144,995
Deferred Income Taxes	534,000	330,000
	<u>1,547,798</u>	<u>1,004,981</u>
Issue of Shares of Peel-Elder Limited	3,750	9,826,514
Increase in:		
Bank Advances	9,991,100	(1,695,655)
Mortgages and Notes Payable	17,186,274	689,135
Tenants' Deposits	184,624	24,417
Accounts Payable, Income Taxes Payable and Provision for Land Servicing	2,392,356	(602,592)
Decrease in Investment in Joint Enterprises	1,230,070	(79,283)
Deferred Income Taxes Assumed	81,000	—
	<u>\$32,616,972</u>	<u>\$ 9,167,517</u>
USE OF FUNDS		
Mortgage Repayments	\$ 180,221	\$ 1,850,990
Increase in:		
Land and Housing Inventory	7,693,584	(530,559)
Building Materials Inventory	1,816,505	—
Mortgages Receivable	2,763,695	153,482
Prepaid Expenses and Deposits	448,078	300,802
Rental Properties	17,876,524	2,030,422
Fixed Assets	687,384	—
Investments	280,900	—
Accounts Receivable	870,081	362,380
Term Deposit	—	5,000,000
	<u>\$32,616,972</u>	<u>\$ 9,167,517</u>

